

| <b>HB334 – Provisions and Estimated Savings</b>   | <b>Amendments to HB334 – Estimated Savings</b>  |
|---|---|
| <b>NCCI Estimate MIDPOINT NET Savings – -32.55% OR -\$133.5M</b>  | <b>NCCI Estimate MIDPOINT NET Savings = -24.15% OR -\$99.3M</b>   |
| <b>Permanent Partial Awards – pgs. 5-6 and 20</b><br>Eliminates 87%(Brigham) to 94%(ERD) of PPD/Impairment cases<br>Includes 6%-180 of 3000 =>Class 2 with wage loss<br>NCCI - -\$14 to -\$31 Million Reduced Benefits<br>ERD estimates -\$32 Million Reduced Benefits<br>2,800 of 3,000 PPD claims no longer compensable                       | <b>Permanent Partial Awards-pgs. 6 and 23-24</b><br>Eliminates 54%-1600 of 3000 < Class 2 Impairment claims w/no wage loss<br>Includes 6%-180 of 3000 =>Class 2 with wage loss<br>Includes 10%- 300 of 3000 =>Class 2 Impairments w/no wage loss<br>Includes 30%-900 of 3000 <Class 2 impairments with wage loss<br>NCCI - -\$5M to -\$11M Reduced Benefits         |
| <b>Termination of Medical Benefits 5 yrs from date of injury w/ reopening supported by treating physician for surgery only w/in 2 years by medical panel with 75% medical certainty for max of 2 yrs – Except for PTD and Prosthetics – pgs. 23 and 35-36</b><br>NCCI - \$59-\$96 million reduction in benefits and medical costs on PPD claims | <b>Termination of Medical Benefits 5 yrs from date of injury w/reopening for medical treatment approved by medical panel for time frame recommended by panel with review every 2 years-Request within 5 yrs of termination</b><br><b>Reopening upon preponderance of evidence related-pgs. 5, 27 and 47-48</b><br>NCCI – -\$15.6M to -\$74.9M reduction in benefits |
| <b>Insurer Designated Treating Physician - pgs 7 &amp; 31 in HB334</b><br>NCCI - -\$18 to -\$59 million reduction in medical utilization and medical costs  | <b>Insurer/Worker Designated Treating Physician-pgs. 8 and 42-44</b><br>If worker's choice agrees to assume same responsibilities – becomes treating physician<br>If insurer doesn't agree with worker's choice may designate another physician<br>NCCI – will price in final bill – should result in similar savings   |
| <b>Fee schedule reimbursements – pg. 24</b><br>NCCI - -\$1 to +\$1 million in cost impact – Cost increase of 4% from 12-31-10 to 1-1-11   | <b>Physician Fee schedule reimbursements – Freeze at 12-31-10 rates-pg. 28</b><br>Adjusts to 12-31-10 system wide rates<br>NCCI estimates -3% or -\$12.5M   |
| <b>Increase PPD weeks from 375 to 400 – pg. 20</b><br>NCCI estimates +\$3 to+\$4 million increase (Same pricing as given to LMAC's proposal)<br>After changes to PPD, only 6%-13% of current PPD claims get increased benefits<br>180 of 3000 PPD claims get increased weeks - Updated with NCCI numbers from 2010 State Advisory Forum         | <b>Increase PPD weeks from 375 to 400-pg. 24</b><br>NCCI – +\$3 to +\$4 million increase (Same pricing as given to HB334)<br>After amendments to PPD, 46% of current PPD claims would get increased benefits<br>1,400 of 3,000 PPD claims would get increased weeks   |
| <b>Retroactive Payment for Waiting Period-pgs. 27-28</b><br>NCCI - \$1-\$2M increase in benefits  | <b>Retroactive Payment for Waiting Period-pg. 32</b><br>NCCI - +\$1 to +\$2M increase in benefits   |
| <b>Definition of course &amp; scope – pg. 17</b><br>No cost impact  | <b>Definition of course &amp; scope – language agreed to by labor &amp; management-pgs. 11 and 20-21</b><br>No cost impact  |

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| <p><b>U &amp; T Guidelines – Changes “presumed correct medical treatment” to “limitation of insurer’s liability”</b><br/> <b>Requires mandatory medical review by Medical Director prior to mediation – pgs. 24-25</b><br/>                     NCCI – Expects Savings – can’t price until savings are experienced<br/>                     ERD - -\$85m reduction in medical costs</p> | <p><b>U &amp; T Guidelines – Changes “presumed correct medical treatment” to “to establish compensable medical treatment”.</b><br/> <b>Allows for medical review by Medical Director upon request prior to mediation-pgs. 28-29</b><br/>                     NCCI – Expects Savings – can’t price until savings are experienced<br/>                     ERD - -\$85m reduction in medical costs</p> |
| <p><b>Changes public policy to eliminate “reasonable relationship to actual wages lost”</b></p>   | <p><b>Puts back in “reasonable relationship to actual wages lost” - pg. 2</b></p>  |
| <p><b>Stay-at-work/return-to-work services – Services provided by insurer at acceptance of claim -pg. 34</b></p>  | <p><b>Stay-at-work/return-to-work services -Services available by request of employer or injured worker from first day of injury-delayed effective date to 7-1-13 -pgs. 34-42</b><br/>                     NCCI - can’t price until savings are experienced<br/>                     ERD – estimates increase of \$400,000</p>   |
| <p><b>Work ability form – pg. 34-35</b><br/>                     A “work ability” form is intended to provide information about the injured worker’s capabilities and be given to the worker and employer for purposes of providing transitional employment opportunities. The form shouldn’t contain any private medical information.</p>  | <p><b>Changes name of form to Medical status form – pg. 46-47</b><br/>                     Better description of the form since it contains information needed by the insurer to handle the claim but cannot be given to employer without the worker’s consent since it contains confidential medical information.</p>   |
| <p><b>Not in HB 334</b></p>   | <p><b>Provides for annual review of audit and rate review of State Fund by insurance commissioner – pgs. 45-46</b></p>   |
| <p><b>Not in HB 334</b></p>   | <p><b>Insure savings realized by state agencies from reduction in premiums reverts to the originating fund source – p. 18-20</b></p>   |